

In 1998, South Africa formally severed its diplomatic ties with Taiwan and established new ties with the People's Republic of China. Just eleven years later, the PRC became South Africa's largest trading partner. This growth in trade has been fueled almost entirely by China's voracious need for raw materials used as part of its internal infrastructure development programs. While the additional trade has been beneficial to South Africa for obvious reasons, it has also put South Africa's economy at some risk due to instabilities in China itself. While it would not be accurate to characterize the potential problem as a "house of cards", there are important structural issues with the China-South Africa trade relationship that need to be addressed in the years ahead if South Africa wants to avoid an economic crisis of its own.